VZCZCXRO5551 PP RUEHBZ RUEHDBU RUEHDU RUEHMR RUEHPA RUEHRN RUEHTRO DE RUEHMO #0693 0791427 ZNY CCCCC ZZH P 201427Z MAR 09 FM AMEMBASSY MOSCOW TO RUEHC/SECSTATE WASHDC PRIORITY 2472 INFO RUEHZO/AFRICAN UNION COLLECTIVE RUEHXD/MOSCOW POLITICAL COLLECTIVE RUEHAD/AMEMBASSY ABU DHABI 0138 RUEHLB/AMEMBASSY BEIRUT 0147 RUEHDR/AMEMBASSY DAR ES SALAAM 0049 RUEHSB/AMEMBASSY HARARE 0037 RUEHKI/AMEMBASSY KINSHASA 0075 RUEHNE/AMEMBASSY NEW DELHI 1213 RUEHSA/AMEMBASSY PRETORIA 0304 RUEHTV/AMEMBASSY TEL AVIV 2219 RUEHWD/AMEMBASSY WINDHOEK 0076

CONFIDENTIAL MOSCOW 000693

SIPDIS

E.O. 12958: DECL: 03/20/2019

TAGS: PGOV PREL PHUM ETRD ECON ASEC ZI RS

SUBJECT: DEMARCHE DELIVERED: MILITARY NOW IN CONTROL OF

ILLICIT DIAMOND ACTIVITY IN ZIMBABWE

REF: STATE 18545

Classified By: Acting Political M/C David Kostelancik for reasons 1.4 (b/d).

- 11. (C) We delivered reftel demarche on March 20 to MFA section chief for Zimbabwe Andrey Stolyarov, who said that Russia shared U.S. concerns over the illicit diamond trade in Zimbabwe and hoped that the new government in Harare would be able to effectively address the issue. He avoided addressing the argument that if military commanders, ZANU-PF members, and Mugabe himself, personally benefited from the illicit diamond trade, it seemed unlikely that they would let a government led by an opposition leader curtail their financial windfall. Stolyarov said that the GOR would wait until a Kimberly Process mission to Zimbabwe made its report before making further judgments on the situation.
- 12. (C) Stolyarov told us that the MFA was not aware of any improper contacts between Russian businesses and the Zimbabwean entities in control of the country's diamonds. He explained that the diamond industry was a "very sensitive" issue in Russia, and closely monitored by the Ministry of Finance. It was no secret that Harare had reached out to Alrosa, Russia's state-owned diamond monopoly, about working with the Zimbabwe diamond industry, but the current situation precluded any such consideration. Stolyarov explained that Alrosa, which had a great deal of experience in Africa and was currently working in Angola, was watching developments closely. BEYRLE